

## Message Text

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ORIGIN SMI-01

INFO OCT-01 EUR-12 ISO-00 OES-05 RSC-01 /020 R

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DRAFTED BY: KBSCHMERTZ:RTCONROY:JWILSON

APPROVED BY: EUR/EE:CBROWN, ACTG

SMI/OIEP:WDCOERR

SMI/OGC:JWILSON

SMI/OGC:PPOWERS

SMI/SCI:.DCHALLINOR

SMI/SUPPLY: HBARTON

EUR/EE:HGILMORE

SCI/BMP: MSBEAUBIEN

----- 045780

O 122315Z DEC 74

FM SECSTATE WASHDC

TO AMEMBASSY BELGRADE IMMEDIATE

INFO AMCONSUL ZAGREB IMMEDIATE

UNCLAS STATE 273106

E.O. 11652: N/A

TAGS: YO, OSCI

SUBJECT: SMITHSONIAN - DISPOSITION OF R/V PHYKOS

REF: TELCON SCIATT MILLS TO SMITHSONIAN-SCHMERTZ DECEMBER 10TH

PURSUANT MILLS ADVICE THAT WEST GERMAN ENTREPRENEUR INTERESTED IN ACQUISITION OF R/V PHYKOS AND REQUESTED SMITHSONIAN PROVIDE DOLS 1,000 COVER COST SEA TRIALS AND 24 HOURS MARITIME INSURANCE, SMITHSONIAN SUGGESTS FOLLOWING FOR MILLS' GUIDANCE IN NEGOTIATION:

1. SI SELF INSURED FOR VESSEL. FEDERAL LAW FORBIDS PURCHASE OF PRIVATE INSURANCE BY SI. SI THEREFORE REQUIRES GERMANS PURCHASE FULL LIABILITY AND PROPERTY LOSS INSURANCE REGARDING VESSEL AND OPERATION. SI TO BE NAMED CO-INSURED AND BENEFICIARY. NECESSARY PRESENCE OF EMBASSY REPRESENTATIVE ON BOARD DURING SEA TRIALS WOULD NOT ALTER THIS REQUIREMENT.

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2. SI UNABLE TO PAY FOR SEA TRIALS BUT WILLING TO ALLOW REASONABLE

ADJUSTMENT/SETOFF OF SEA TRIAL COSTS AGAINST THE PURCHASE PRICE IF GERMANS BUY WITHIN 10 DAYS AFTER SEA TRIALS. SI CONTINUING ARRANGEMENT WITH DSA FOR SALE OF SHIP AND ALSO CONTINUING DISCUSSIONS WITH GOY FOR DONATION AND CANCELLATION OF DEBT. GERMANS MUST PURCHASE VESSEL BEFORE A FIRM ACCEPTABLE OFFER MADE FROM GOY OR OTHER THIRD PARTY.

3. IN VIEW OF THE OUTSTANDING DOCKAGE FEES AND CONTINUING OVERHEAD COST, MINIMUM PURCHASE PRICE SI WILLING TO ACCEPT 45,000 DOLLARS.

4. SI FEELS IT IMPORTANT THAT EMBASSY REPRESENTATIVE BE ABOARD DURING TRIALS AS OWNER'S REPRESENTATIVE.

5. SI GREATLY APPRECIATES MILLS' EFFORTS IN THIS MATTER AND REGRETS THAT IT CANNOT GO FURTHER TO MEET PROSPECTIVE BUYER'S TERMS. INGERSOLL

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## Message Attributes

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**Current Classification:** UNCLASSIFIED  
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**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
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**Disposition History:** n/a  
**Disposition Reason:**  
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